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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

October 17, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

EX PARTE OR LATE FILED

Re: Ex Parte Statement
CC Docket No. 99-200
(Number Resource Optimization)

On October 16, 2000 Gil Orozco, Bill Adair, and I on behalf of SBC Communications, Inc. met with Yog Varma, Deputy Chief, Common Carrier Bureau and members of his staff (Chuck Keller, Aaron Goldberg, Cheryl Callahan, and Sanford Williams) to discuss issues and recommendations in this proceeding as set forth in the attachment hereto.

Sincerely,

Attachment

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Utilization

FCC's Goal

- That all carriers have the numbering resources they need to compete
- To ensure that numbering resources are used efficiently and establish uniformity in data reporting
 - Categories codified in FCC rules
 - Utilization data is required to be filed semi-annually
 - Utilization determined by “dividing all *assigned numbers* by total numbering resources assigned to that carrier...and multiplying by 100”
- To establish a utilization threshold that is equitable among service providers and **ensure that** requests for numbering resources are needs-based
- Seeks data from commenters that support their specific utilization recommendations

Utilization Threshold - Where Should It Be Set

- Several state commissions suggested a 75% utilization level or higher
 - No evidence that impact of the FCC's revised utilization definition was considered
 - California PUC supports 75%, however, it currently allows carriers to include aging, reserved, administrative and intermediate numbers in computing utilization percentages
 - SBC supports CPUC's methodology for calculating utilization
- Most service providers recommended capping utilization between 60%-70%
- SBC initially recommended a threshold of 55% rising to 65% over 3 years
- Once the FCC establishes a utilization threshold - months to exhaust requirements should be eliminated

Supporting Data

- Eight NPAs' utilization data reviewed representing 93 rate centers and 2,122 NXXs
- Summary of categories as follows:
 - Reserved numbers averaged 5%
 - Some control over this category
 - Aging numbers averaged 4%
 - No control over this category- remains constant over time
 - Administration numbers averaged <1% in most rate centers
 - Where SBC has a major [office presence] **operations center**, numbers ranged 2%-4%
 - Limited, if any control over these numbers
 - Intermediate numbers averaged 10%
 - Largest impacting category and out of our control
 - Can't deny resellers additional numbers if requested

Data Observations

- On average 20% of the numbers are not assignable because of aging, reserved, administration and intermediate numbers
- If all the assignable numbers are used - on average max utilization would be no higher than 80%
- Therefore, capping utilization level at 70% will reasonably allow carriers to maintain a 10% inventory of numbers for assignment when requesting a new NXX code
- To test reasonableness of recommendation
 - Initially set at 55% and increase only 5% for a three year period
 - Allows service providers to continue meet customer demand while numbers are being replenished
 - Allows time for FCC to monitor impact in achieving its goals

Code Request Requirements

- Rules require providing 6 month historical utilization and projected months to exhaust at the RC level
 - Numbering resources must exhaust with 6-months or no additional numbering resources will be released by NANPA-no “exceptions”
 - This will create situations where available numbers in a switch are near exhaust but RC fails MTE
 - Deploying new switches in a rate center to accommodate growth may not be supplied with numbering resources because of RC MTE criteria
 - Creates a major disincentive to consolidate rate centers
- FCC should adopt reporting utilization at the Lowest Code Assignment Point (LCAP) and allow for ***technical and*** customer specific “exceptions”

Recommendation

- Set utilization initially at 55% and grow by 5% to a maximum of 70%
 - Exceptions allowed
- Reconsider the requirement to report utilization at a rate center utilization-should be at the LCAP
 - Adopt a more representative calculation of utilization
 - California commission's utilization calculation is more representative of available numbers
- Once utilization threshold is established, MTE requirements should be eliminated
- Prior to establishing utilization targets, MTE should be calculated at the switch level and allow for exceptions
 - Latest COCUS data should be used to satisfy 6-month historical utilization requirement